

**State of Illinois**  
**REGIONAL OFFICE OF EDUCATION #11**  
**CLARK, COLES, CUMBERLAND, DOUGLAS,**  
**EDGAR, MOULTRIE AND SHELBY COUNTIES**  
**FINANCIAL AUDIT**  
**(In Accordance with the Single Audit Act**  
**and OMB Circular A-133)**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**Performed as Special Assistant Auditors**  
**For the Office of the Auditor General**

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REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 FOR THE YEAR ENDED JUNE 30, 2008

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REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES

AGENCY OFFICIALS

Regional Superintendent  
(Current and during the Audit Period)

Mr. John McNary

Assistant Regional Superintendent  
(Current and during the Audit Period)

Mr. Nik Groothuis

Office is located at:

730 7<sup>th</sup> Street  
Charleston, Illinois 61920

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR,  
 MOULTRIE, AND SHELBY COUNTIES  
 JUNE 30, 2008

**COMPLIANCE REPORT SUMMARY**

The compliance audit testing performed in this audit was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

**AUDITORS' REPORTS**

The auditors' reports on compliance and on internal controls do not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF AUDIT FINDINGS**

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Findings	2	3
Repeated findings	2	0
Prior recommendations implemented or not repeated	1	2

Details of audit findings are presented in a separately tabbed report section.

An additional three matters which are less than a significant deficiency or material weakness but more than inconsequential have been reported in a Management Letter of Comments to the Regional Superintendent. In prior years, these issues may have been included as immaterial findings in the auditors' reports.

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS ( <i>GOVERNMENT AUDITING STANDARDS</i> )			
08-01	12a	Inadequate Internal Control Procedures	Significant Deficiency
08-02	12b	Controls Over Financial Statement Preparation	Material Weakness

FINDINGS AND QUESTIONED COSTS (*FEDERAL COMPLIANCE*)

None

PRIOR FINDINGS NOT REPEATED (*GOVERNMENT AUDITING STANDARDS*)

07-02      15            Controls Over Compliance with Laws and Regulations

PRIOR FINDINGS NOT REPEATED (*FEDERAL COMPLIANCE*)

None

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Agency personnel at an informal exit conference on September 12, 2008. Attending were John McNary, Superintendent, and Timothy Bryan, CPA, Partner, Kemper CPA Group, LLP. Responses to the recommendations were provided by Mr. McNary.

## **FINANCIAL STATEMENT REPORT SUMMARY**

The audit of the accompanying basic financial statements of the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties Regional Office of Education #11 was performed by Kemper CPA Group LLP, CPAs.

Based on their audit, the auditors expressed an unqualified opinion on the Regional Office of Education #11's basic financial statements.



INDEPENDENT AUDITOR'S REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties Regional Office of Education #11, as of and for the year ended June 30, 2008, which collectively comprise the Regional Office of Education #11's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Regional Office of Education #11's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #11, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 13, 2009, on our consideration of the Regional Office of Education #11's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Illinois Municipal Retirement Fund Schedule of Funding Progress on pages 16a through 16i and 47 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional Office of Education #11's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and Schedule of Disbursements to School District Treasurers and Other Entities are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Schedule of Disbursements to School District Treasurers and Other Entities, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*

Evansville, Indiana  
March 13, 2009



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Office of Education #11, as of and for the year ended June 30, 2008, which collectively comprise the Regional Office of Education #11's basic financial statements and have issued our report thereon dated March 13, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Regional Office of Education #11's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Regional Office of Education #11's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #11's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 08-01 and 08-02 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies, and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, of the significant deficiencies described above, we consider item 08-02 to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Office of Education #11's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 08-02.

We also noted certain matters which we have reported to management of the Regional Office of Education #11 in a separate letter dated March 13, 2009.

Regional Office of Education #11's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Regional Office of Education #11's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the organization, Illinois State Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*

Evansville, Indiana  
March 13, 2009

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133

Honorable William G. Holland  
Auditor General  
State of Illinois

Compliance

We have audited the compliance of the Regional Office of Education #11 with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Regional Office of Education #11's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Regional Office of Education #11's management. Our responsibility is to express an opinion on the Regional Office of Education #11's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Regional Office of Education #11's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Regional Office of Education #11's compliance with those requirements.

In our opinion, Regional Office of Education #11 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

## Internal Control Over Compliance

The management of the Regional Office of Education #11 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Regional Office of Education #11's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Regional Office of Education #11's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Regional Office of Education #11's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, others within the organization, Illinois State Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kemper CPA Group LLP*

*Certified Public Accountants and Consultants*

Evansville, Indiana  
March 13, 2009

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2008

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes
- Noncompliance material to financial statements noted? Yes

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)? No

Identification of **major** programs:

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.010A	Standards Aligned Classroom – Statewide Professional Development

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? No

REGIONAL OFFICE OF EDUCATION #11  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II – FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008

**Finding No. 08-01 – Inadequate Internal Control Procedures (Partial Repeat of Finding 07-01)**

**Criteria/specific requirement:**

The Regional Superintendent of Schools is responsible for establishing and maintaining an internal control system over disbursements and purchases to prevent errors and fraud.

**Condition:**

During the audit we noted the following weaknesses in the Regional Office's internal control system for which there were no mitigating controls:

- A. An individual involved in the bookkeeping process had the Superintendent's signature stamp. This represents inadequate segregation of duties.
- B. Not all mail is opened under the dual controls established by the Regional Office. One location receives and opens mail outside of these controls.
- C. An individual independent of the expenditure report preparation process does not review the expenditure reports prior to their final submission to the grantor.

**Effect:**

Errors or fraud that could be material to the financial statements may occur and not be detected in a timely manner by employees in the normal course of performing their assigned duties.

**Cause:**

The Regional Office of Education #11 unintentionally overlooked the internal control weakness created over the opening of the mail because the program changed locations and the mail was forwarded to the new location. The signature stamp was provided as a convenience in case both the Superintendent and Assistant Superintendent were absent, and the internal controls over the review of expenditure reports were not consistently followed.

**Recommendation:**

- A. The Regional Office should not allow a bookkeeper to have access to a signature stamp.
- B. The Regional Office should ensure all programs have their mail sent to the main office to be opened under the Regional Office's existing controls.
- C. The Regional Office should ensure that an individual independent of the expenditure report process reviews and approves all expenditure reports for agreement with the general ledger detail prior to final submission.

**Management's Response:**

The Regional Superintendent agrees with this finding.



REGIONAL OFFICE OF EDUCATION #11  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II – FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008

**Finding No. 08-02 – Controls Over Financial Statement Preparation (Partial Repeat of Finding 07-03)**

**Criteria/specific requirement:**

The Regional Office of Education #11 is required to maintain a system of controls over the preparation of financial statements in accordance with generally accepted accounting principles (GAAP). Regional Office internal controls over GAAP financial reporting should include adequately trained personnel with the knowledge and expertise to prepare and/or thoroughly review GAAP based financial statements to ensure that they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

**Condition:**

The Regional Office of Education #11 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, not all entries were made by the ROE to reconcile their grant activity, such as posting grant receivables and deferred revenues.
- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.

**Effect:**

Management or employees in the normal course of performing their assigned functions may not prevent or detect financial statement misstatements and disclosure omissions in a timely manner.

**Cause:**

According to Regional Office officials, they did not have adequate funding to hire and/or train their accounting personnel in order to comply with these requirements.

REGIONAL OFFICE OF EDUCATION #11  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION II – FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008

**Finding No. 08-02 – Controls Over Financial Statement Preparation (Partial Repeat of Finding 07-03) (Concluded)**

**Recommendation:**

As part of its internal control over the preparation of its financial statements, including disclosures, the Regional Office of Education #11 should implement a comprehensive preparation and/or review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such procedures should be performed by a properly trained individual(s) possessing a thorough understanding of applicable generally accepted accounting principles, GASB pronouncements, and knowledge of the Regional Office of Education's activities and operations.

**Management's Response:**

The Regional Office of Education understands the nature of this finding and believes that the circumstance is not unusual in an organization of its size. The Regional Office accepts the degree of risk associated with the condition and believes that seeking additional accounting expertise in the form of another accounting firm or appropriately trained individual to prepare and/or review financial statements would reduce funds available to provide educational services for the schools in the region. To help address the lack of "sufficient internal controls over the financial reporting process," the Regional Office will seek appropriate training for its bookkeeping staff.

REGIONAL OFFICE OF EDUCATION #11  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SECTION III – FEDERAL AWARD FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008

**INSTANCES OF NONCOMPLIANCE:**

NONE

**REPORTABLE CONDITIONS:**

NONE

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2008

**Corrective Action Plan**

**Finding No. 08-01 – Inadequate Internal Control Procedures (Partial Repeat of Finding 07-01)**

**Condition:**

During the audit we noted the following weaknesses in the Regional Office's internal control system for which there were no mitigating controls:

- A. An individual involved in the bookkeeping process had the Superintendent's signature stamp. This represents inadequate segregation of duties.
- B. Not all mail is opened under the dual controls established by the Regional Office. One location receives and opens mail outside of these controls.
- C. An individual independent of the expenditure report preparation process does not review the expenditure reports prior to their final submission to the grantor.

**Plan:**

- A. The Regional Office will not allow a bookkeeper to have access to a signature stamp.
- B. The Regional Office will ensure all programs have their mail sent to the main office to be opened under the Regional Office's existing controls.
- C. The Regional Office will ensure that an individual independent of the expenditure report process reviews and approves all expenditure reports for agreement with the general ledger detail prior to final submission.

**Anticipated Completion Date:**

Immediately upon learning of the oversight.

**Contact Person:**

John McNary, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS  
JUNE 30, 2008

**Corrective Action Plan (Concluded)**

**Finding No. 08-02 – Controls Over Financial Statement Preparation (Partial Repeat of Finding 07-03)**

**Condition:**

The Regional Office of Education #11 does not have sufficient internal controls over the financial reporting process. While the Regional Office maintains controls over the processing of most accounting transactions, there are not sufficient controls over the preparation of the GAAP based financial statements for management or employees in the normal course of performing their assigned functions to prevent or detect financial statement misstatements and disclosure omissions in a timely manner. For example, auditors, in their review of the Regional Office's accounting records, noted the following:

- The Regional Office did not have adequate controls over the maintenance of complete records of accounts receivable, accounts payable, or deferred revenues. While the Regional Office did maintain records to indicate the balances of accounts payable, accounts receivable, and deferred revenues, not all entries were made by the ROE to reconcile their grant activity, such as posting grant receivables and deferred revenues.
- The Regional Office's financial information required numerous adjusting entries to present the financial statements in accordance with generally accepted accounting principles.

**Plan:**

The Regional Office of Education understands the nature of this finding and believes that the circumstance is not unusual in an organization of its size. The Regional Office accepts the degree of risk associated with the condition and believes that seeking additional accounting expertise in the form of another accounting firm or appropriately trained individual to prepare and/or review financial statements would reduce funds available to provide educational services for the schools in the region. To help address the lack of "sufficient internal controls over the financial reporting process," the Regional Office will seek appropriate training for its bookkeeping staff.

**Anticipated Completion Date:**

Immediately upon learning of the oversight.

**Contact Person:**

John McNary, Regional Superintendent of Schools

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
 JUNE 30, 2008

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
07-01	Inadequate Internal Control Procedures	08-01
07-02	Controls Over Compliance with Laws and Regulations	(See Note Below)
07-03	Controls Over Financial Statement Preparation	08-02

**Note:** Although the Regional Office of Education #11 has not fully implemented the corrective action plan associated with this finding during the fiscal year 2008, they have made significant progress in addressing the condition. Therefore, the effect of the condition is inconsequential to the specific programs and the overall financial statements and is now being addressed with management in a separate letter dated March 13, 2009.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
AND SHELBY COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008

The Regional Office of Education #11 for the Counties of Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. Readers are encouraged to consider the information in conjunction with the Regional Office's financial statements which follow.

**Financial Highlights**

- Within the Governmental Funds, the General Fund balance increased from \$327,065 in FY07 to \$377,360 in FY08, and the Education Fund balance decreased from \$60,102 to \$38,875.
- Within the Proprietary Fund, Total Net Assets increased from \$212,748 to \$216,705.

**Using This Report**

This annual report consists of a series of financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Regional Office's financial activities.
- The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of the Regional Office of Education as a whole and present an overall view of the Office's finances.
- The fund financial statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Regional Office's operations in more detail than the government-wide statements by providing information about the most significant funds.
- Notes to the financial statements provide additional information that is needed for a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements and supplementary information provides detail information about the non-major fund.



REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
AND SHELBY COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008

**Reporting the Office as a Whole (Continued)**

**The Statement of Net Assets and the Statement of Activities**

The government-wide statements report information about the Regional Office of Education #11 as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the Office's assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Office's net assets and how they have changed. Net assets – the difference between the assets and liabilities – are one way to measure the Office's financial health or position.

- Over time, increases or decreases in the net assets can be an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Regional Office's overall health, additional non-financial factors, such as new laws, rules, regulations, and actions by officials at the state level need to be considered.

In the government-wide financial statements, the Regional Office of Education #11's activities are divided into two categories.

- **Governmental activities:** Most of the Regional Office of Education #11's basic services are included here, such as local, State, and federal grant-funded programs, support services, and administration.
- **Business-type activities:** The Regional Office of Education #11 charges fees to help cover costs of certain services and workshops it provides.

The fund financial statements provide detailed information about the Regional Office's funds, focusing on its most significant or "major" funds – not the Regional Office of Education as a whole. Funds are accounting devices that allow the tracking of specific sources of funding and spending on particular programs. Some funds are required by state law. The Regional Office of Education #11 established other funds to control and manage money for particular purposes.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
AND SHELBY COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008

**Reporting the Office as a Whole (Concluded)**

The Regional Office of Education #11 has the following types of funds:

1. Governmental funds account for all of the Office's services. These focus on how cash and other financial assets that can be readily converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer resources that can be spent in the near future to finance the Office's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, a reconciliation between the governmental fund financial statements and the government-wide financial statements follow each of the related governmental fund financial statements. The Office's governmental funds include the General Fund and the Special Revenue Funds. The governmental fund required financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.
2. The Proprietary Fund is used to account for registration fees for workshops and other services sponsored by the Regional Office of Education #11. The Proprietary Fund's required financial statements include a Statement of Net Assets, Statement of Revenues, Expenses, Changes in Fund Net Assets, and Statement of Cash Flows.
3. Fiduciary funds are used to account for assets held by the Regional Office of Education #11 in a trust capacity or as an agent for individuals and private or governmental organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds required financial statements include a Statement of Fiduciary Net Assets. The Regional Office of Education #11 excludes these assets from the government-wide financial statements because it cannot use these assets to finance its operations.

**Government –Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of the financial position. The Regional Office's governmental activities net assets at the end of FY08 totaled \$536,248. This compared to \$513,737 at the end of FY07. The analysis that follows provides a summary of the Office's net assets at June 30, 2008 for the governmental and business-type activities.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
 AND SHELBY COUNTIES  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2008

**Government –Wide Financial Analysis (Continued)**

**CONDENSED STATEMENT OF NET ASSETS**  
**Governmental Activities**

	2007	2008	Increase/ (Decreased)
Current Assets	\$ 681,033	\$ 636,817	\$ (44,216)
Capital Assets, being depreciated,	3,462	4,128	666
Total Assets	684,495	640,945	(43,550)
 Current Liabilities	 170,758	 104,697	 (66,061)
 Net Assets:			
Invested in Capital Assets	3,462	4,128	666
Restricted for teacher professional development	102,360	96,501	(5,859)
Unrestricted	407,915	435,619	27,704
Total Net Assets	\$ 513,737	\$ 536,248	\$ 22,511

The Regional Office of Education's governmental Net Asset increased from \$513,737 to \$536,248. Cash and cash equivalents made up the majority of current assets. In addition, net assets related to the Institute Fund are considered restricted for teacher professional development.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
 AND SHELBY COUNTIES  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2008

**Government –Wide Financial Analysis (Continued)**

**CONDENSED STATEMENT OF NET ASSETS**  
**Business-type Activities**

	<u>2007</u>	<u>2008</u>	<u>Increase/ (Decreased)</u>
Current Assets	\$ 209,127	\$ 207,298	\$ (1,829)
Capital Assets, being depreciated,	3,621	9,407	5,786
Total Assets	<u>212,748</u>	<u>216,705</u>	3,957
Current Liabilities	<u>                    </u>	<u>                    </u>	
Net Assets:			
Invested in Capital Assets	3,621	9,407	5,786
Unrestricted	<u>209,127</u>	<u>207,298</u>	(1,829)
Total Net Assets	<u>\$ 212,748</u>	<u>\$ 216,705</u>	\$ 3,957

The Regional Office of Education #11 uses its business-type net assets to provide workshops and training services to school districts in the region. The increase in total net assets is due to more workshops being held in fiscal year 2008 as compared to fiscal year 2007 and is also a reflection of increased attendance at workshops.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
 AND SHELBY COUNTIES  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2008

**Government –Wide Financial Analysis (Continued)**

The following analysis shows the changes in net assets for governmental and business-type activities for the years ended June 30, 2008 and June 30, 2007.

**STATEMENT OF ACTIVITIES**  
**Governmental Activities**

	2007	2008	Increase/ (Decrease)
Revenues:			
Program Revenues:			
Operating Grants and Contributions	\$ 1,601,299	\$ 1,088,010	\$ (513,289)
General Revenues			
Local sources	388,204	382,891	(5,313)
State sources	613,938	544,791	(69,147)
On-behalf payment	265,927	321,574	55,647
Transfer in / (out)	(120,343)	(6,440)	113,903
Investment earnings	27,072	40,821	13,749
Total Revenues	2,776,097	2,371,647	(404,450)
Expenses:			
Program Expenses:			
Instructional Services			
Salaries and Benefits	1,006,637	968,274	(38,363)
Purchased Services	357,713	329,823	(27,890)
Supplies and Materials	82,783	78,036	(4,747)
Depreciation Expense	5,579	4,233	(1,346)
Payments to Other Governments	1,164,638	639,814	(524,824)
Other Objects	7,422	7,382	(40)
Administrative Expense:			
On-Behalf Payments - State	265,927	321,574	55,647
Total Expenses	2,890,699	2,349,136	(541,563)
Change in Net Assets	(114,602)	22,511	137,113
Net Assets - Beginning	628,339	513,737	(114,602)
Net Assets - Ending	\$ 513,737	\$ 536,248	\$ 22,511

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
 AND SHELBY COUNTIES  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED JUNE 30, 2008

**Government-Wide Financial Analysis (Concluded)**

Revenues for governmental activities were \$2,371,647 and expenses were \$2,349,136. The decrease in total revenue is due to several factors. The Institute Fund is in the fourth year of the new five-year cycle for teacher certification and the number of people requiring certification renewal decreased. The Standards Aligned Classroom project was funded at \$598,000 which was a decrease of \$302,000. The Office increased a Professional Development Consortium to eight school districts which generated \$48,145, state aid was increased, and grant funding grew slightly, which helped to off set the decrease in revenue in the Standards Aligned Classroom grant.

**STATEMENT OF ACTIVITIES**  
**Business-Type Activities**

	2007	2008	Increase/ (Decrease)
Revenues:			
Program Revenues:			
Charges for Services	\$ 97,640	\$ 120,678	\$ 23,038
General Revenues			
Investment earnings	10,698	4,756	(5,942)
Transfer In	121,071	7,500	(113,571)
Transfer Out	(728)	(1,060)	(332)
Total Revenues	228,681	131,874	(96,807)
Expenses:			
Salaries and Benefits	40,681	74,590	33,909
Purchases Services	50,297	41,699	(8,598)
Supplies and Materials	20,252	4,750	(15,502)
Depreciation Expense	1,811	4,918	3,107
Dues and Fees	2,222	1,960	(262)
Total Expenses	115,263	127,917	12,654
Change in Net Assets	113,418	3,957	(109,461)
Net Assets - Beginning	99,330	212,748	113,418
Net Assets - Ending	\$ 212,748	\$ 216,705	\$ 3,957

Revenues for the business-type activities were \$131,874 and expenses were \$127,917. This resulted in an overall increase in total net assets of \$3,957.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
AND SHELBY COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008

**Financial Highlights of the Regional Office of Education #11 Funds**

As previously noted, the Regional Office of Education #11 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Fund Highlights:**

- The return on investments (certificates of deposit, short term investments, and interest earned on float), were decreased because of the decrease in interest rates.
- County support for the Regional Office of Education #11 grew by 3.50% to \$272,335.
- There was an increase in the state aid foundation level to \$5,734 per student from \$5,334. This helped to maintain the dollars provided for the Safe Schools (Bridges) Program.
- Professional Development Consortium of eight school districts generated \$48,145.
- The Technology conference generated registration and vendor fees.

**Proprietary Fund Highlights:**

The Regional Office of Education #11's Local Workshop Fund operated at a loss in FY 08 while net assets have increased slightly overall. The school districts have become more selective in allowing teachers to attend workshops that are only for required training purposes. The Office has determined that it is not cost effective to hold workshops for fewer than 10 participants and therefore held fewer workshops this year than in the past.

**Budgetary Highlights:**

The Regional Office of Education #11 annually adopts budgets. The Institute Fund, the Direct Services Budget and the Special Funds Budget are prepared by the Regional Superintendent and serve as a guideline for activities and expenditures. The Regional Superintendent annually prepares an Office Operations Budget and submits it to the seven county boards for their approval. The Office Operations Budget covers a fiscal year which runs from December 1 to November 30. All grant budgets are prepared by the Regional Office of Education #11 and submitted to the granting agency for approval. Amendments must be submitted under guidelines established by the granting agency. Schedules showing the budget amounts compared to the Office's actual financial activity are included in the supplementary information of this report.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE,  
AND SHELBY COUNTIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2008

**Financial Highlights of the Regional Office of Education #11 Funds (Concluded)**

**Capital Assets**

Capital Assets of the Regional Office of Education #11 include office equipment, computers, audio-visual equipment and office furniture. The Regional Office of Education #11 maintains an inventory of capital assets which have been accumulated over time. In addition, the Regional Office of Education #11 has adopted a depreciation schedule which reflects the level of Net Capital Assets.

**Economic Factors and Next Year's Budget**

At the time these financial statements were prepared and audited, the Regional Office was aware of several existing circumstances that could affect its financial health in the future.

- The State of Illinois Foundation level used in the calculation of State Aid was increased to \$5,959 per student for FY09.
- The interest rate on investments remains low.
- Several grants have remained near or at previous levels.
- The State of Illinois funding for most programs has been delayed.
- County Board support of the Regional Office of Education #11 grew by 3.00% to \$280,500 for the period of time December 1, 2008 to November 30, 2009.
- The Statewide Standards Aligned Classroom will only be funded at \$400,000, not \$598,000.
- The Professional Development Consortium includes thirteen school districts and will generate \$81,800 and the State of Illinois support for professional development activities will increase from \$93,347 to \$93,909.
- The Regional Office of Education will subsidize funding for the Safe Schools Program by using funds from one of its Certificates of Deposit.

**Contacting the Regional Office's Financial Management**

This financial report is designed to provide the Regional Offices' citizens, taxpayers, clients, and other constituents with a general overview of its finances and to demonstrate the accountability for the money it receives. If the reader has questions concerning this report or needs additional financial information, please contact the Regional Superintendent of the Regional Office of Education #11 at 730 7<sup>th</sup> Street, Charleston, IL 61920.



## BASIC FINANCIAL STATEMENTS

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 598,933	\$ 205,398	\$ 804,331
Due from other governments:			
Local	513	1,900	2,413
State	1,482	-	1,482
Federal	35,889	-	35,889
Total Current Assets	<u>636,817</u>	<u>207,298</u>	<u>844,115</u>
Noncurrent Assets:			
Capital assets, being depreciated, net	4,128	9,407	13,535
Total Noncurrent Assets	<u>4,128</u>	<u>9,407</u>	<u>13,535</u>
Total Assets	<u>640,945</u>	<u>216,705</u>	<u>857,650</u>
Liabilities			
Current Liabilities:			
Accounts payable	33,521	-	33,521
Payroll liabilities	33,994	-	33,994
Deferred revenue	37,182	-	37,182
Total Current Liabilities	<u>104,697</u>	<u>-</u>	<u>104,697</u>
Net Assets			
Invested in capital assets	4,128	9,407	13,535
Restricted for teacher professional development	96,501	-	96,501
Unrestricted	435,619	207,298	642,917
Total Net Assets	<u>\$ 536,248</u>	<u>\$ 216,705</u>	<u>\$ 752,953</u>

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Governmental Activities	Business-Type Activities	
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
<b>Instructional Services:</b>						
Salaries and benefits	\$ 968,273	\$ -	\$ 481,030	\$ (487,243)	\$ -	\$ (487,243)
Purchased services	330,673	-	122,783	(207,890)	-	(207,890)
Supplies and materials	78,036	-	30,503	(47,533)	-	(47,533)
Other objects	6,084	-	-	(6,084)	-	(6,084)
Depreciation expense	4,233	-	-	(4,233)	-	(4,233)
Capital outlay	-	-	4,899	4,899	-	4,899
Payments to other governments	639,814	-	448,795	(191,019)	-	(191,019)
<b>Administrative:</b>						
On-behalf payments - State	321,574	-	-	(321,574)	-	(321,574)
<b>Total Governmental Activities</b>	<b>2,348,687</b>	<b>-</b>	<b>1,088,010</b>	<b>(1,260,677)</b>	<b>-</b>	<b>(1,260,677)</b>
<b>Business-Type Activities</b>						
Registration fees	122,999	120,678	-	-	(2,321)	(2,321)
Depreciation	4,918	-	-	-	(4,918)	(4,918)
<b>Total Business-Type Activities</b>	<b>127,917</b>	<b>120,678</b>	<b>-</b>	<b>-</b>	<b>(7,239)</b>	<b>(7,239)</b>
<b>Total Primary Government</b>	<b>\$ 2,476,604</b>	<b>\$ 120,678</b>	<b>\$ 1,088,010</b>	<b>(1,260,677)</b>	<b>(7,239)</b>	<b>(1,267,916)</b>
<b>General Revenues:</b>						
Local sources				382,891	-	382,891
State sources				544,851	-	544,851
On-behalf payments				321,574	-	321,574
Investment earnings				40,821	4,756	45,577
Transfers				(6,949)	6,440	(509)
<b>Total General Revenues, Special and Extraordinary Items and Transfers</b>				<b>1,283,188</b>	<b>11,196</b>	<b>1,294,384</b>
<b>Change in Net Assets</b>				<b>22,511</b>	<b>3,957</b>	<b>26,468</b>
<b>Net Assets - Beginning</b>				<b>513,737</b>	<b>212,748</b>	<b>726,485</b>
<b>Net Assets - Ending</b>				<b>\$ 536,248</b>	<b>\$ 216,705</b>	<b>\$ 752,953</b>

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2008

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 368,435	\$ 114,613	\$ 115,885	\$ -	\$ 598,933
Due from other funds	8,412	-	-	(8,412)	-
Due from other governments					
Local	513	-	-	-	513
State	-	1,482	-	-	1,482
Federal	-	35,889	-	-	35,889
Total Assets	<u>\$ 377,360</u>	<u>\$ 151,984</u>	<u>\$ 115,885</u>	<u>\$ (8,412)</u>	<u>\$ 636,817</u>
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 33,521	\$ -	\$ -	\$ 33,521
Payroll liabilities	-	33,994	-	-	33,994
Due to other funds	-	8,412	-	(8,412)	-
Deferred revenue	-	37,182	-	-	37,182
Total Liabilities	<u>-</u>	<u>113,109</u>	<u>-</u>	<u>(8,412)</u>	<u>104,697</u>
<b>Fund Balances:</b>					
Unreserved, reported in:					
General fund	377,360	38,875	-	-	416,235
Special revenue funds	-	-	115,885	-	115,885
Total Fund Balances	<u>377,360</u>	<u>38,875</u>	<u>115,885</u>	<u>-</u>	<u>532,120</u>
Total Liabilities and Fund Balances	<u>\$ 377,360</u>	<u>\$ 151,984</u>	<u>\$ 115,885</u>	<u>\$ (8,412)</u>	<u>\$ 636,817</u>

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008

Fund Balances—Total Governmental Funds	\$ 532,120
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	4,128
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Net Assets of Governmental Activities	\$ 536,248
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The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Education Fund	Other Nonmajor Funds	Eliminations	Total Governmental Funds
<b>Revenues:</b>					
Local sources	\$ 297,258	\$ 55,613	\$ 30,020	\$ -	\$ 382,891
State sources	96,311	903,742	8,320	-	1,008,373
State sources- payments made on behalf of region	321,574	-	-	-	321,574
Federal sources	-	624,488	-	-	624,488
<b>Total Revenues</b>	<b>715,143</b>	<b>1,583,843</b>	<b>38,340</b>	<b>-</b>	<b>2,337,326</b>
<b>Expenditures:</b>					
<b>Instructional Services</b>					
Salaries and benefits	263,429	699,847	4,997	-	968,273
Purchased services	106,209	189,383	35,081	-	330,673
Supplies and materials	12,390	61,301	4,345	-	78,036
Other objects	1,785	-	4,299	-	6,084
Payments to other governments	-	639,814	-	-	639,814
Payments made on behalf of region	321,574	-	-	-	321,574
Capital outlay	1,496	3,103	300	-	4,899
<b>Total Expenditures</b>	<b>706,883</b>	<b>1,593,448</b>	<b>49,022</b>	<b>-</b>	<b>2,349,353</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>8,260</b>	<b>(9,605)</b>	<b>(10,682)</b>	<b>-</b>	<b>(12,027)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in	13,253	-	300	(13,553)	-
Transfers out	(5,000)	(15,502)	-	13,553	(6,949)
Interest	33,782	3,880	3,159	-	40,821
<b>Total Other Financing Sources (Uses)</b>	<b>42,035</b>	<b>(11,622)</b>	<b>3,459</b>	<b>-</b>	<b>33,872</b>
<b>Net Change in Fund Balances</b>	<b>50,295</b>	<b>(21,227)</b>	<b>(7,223)</b>	<b>-</b>	<b>21,845</b>
Fund Balances - Beginning	327,065	60,102	123,108	-	510,275
<b>Fund Balances - Ending</b>	<b>\$ 377,360</b>	<b>\$ 38,875</b>	<b>\$ 115,885</b>	<b>\$ -</b>	<b>\$ 532,120</b>

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2008

Net Change in Fund Balances—Total Governmental Funds \$ 21,845

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 4,899	
Depreciation expense	(4,233)	666

Change in Net Assets of Governmental Activities \$ 22,511

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2008

	Business-Type Activities- Enterprise Funds	
	Local Workshops	Totals
Assets:		
Current Assets:		
Cash and cash equivalents	\$ 205,398	\$ 205,398
Due from other governments		
Local	1,900	1,900
Total Current Assets	207,298	207,298
Noncurrent Assets:		
Capital assets, being depreciated, net	9,407	9,407
Total Noncurrent Assets	9,407	9,407
Total Assets	216,705	216,705
Net Assets		
Invested in capital assets	9,407	9,407
Unrestricted	207,298	207,298
Total Net Assets	\$ 216,705	\$ 216,705

The notes to the financial statements are an integral part of this statement.



REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities— Enterprise Funds	
	Local Workshops	Totals
Operating Revenues:		
Local sources	\$ 120,678	\$ 120,678
Total Operating Revenues	120,678	120,678
Operating expenses:		
Salaries and benefits	74,590	74,590
Purchased services	41,699	41,699
Supplies and materials	4,750	4,750
Dues and fees	1,960	1,960
Depreciation expense	4,918	4,918
Total Operating Expenses	127,917	127,917
Operating Income (Loss)	(7,239)	(7,239)
Nonoperating Revenues:		
Interest income	4,756	4,756
Total Nonoperating Revenue	4,756	4,756
Income (Loss) Before Contributions, Gains, Losses, and Transfers	(2,483)	(2,483)
Capital contributions		
Transfers in	7,500	7,500
Transfers (out)	(1,060)	(1,060)
Change in Net Assets	3,957	3,957
Total Net Assets - Beginning	212,748	212,748
Total Net Assets - Ending	\$ 216,705	\$ 216,705

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Business-Type Activities- Enterprise Funds	
	Local	
	Workshops	Totals
Cash Flows From Operating Activities:		
Workshop receipts	\$ 120,678	\$ 120,678
Payments to providers of services	(48,409)	(48,409)
Payments to employees	(74,590)	(74,590)
Net Cash Provided by (Used for) Operating Activities	<u>(2,321)</u>	<u>(2,321)</u>
Cash Flows From Noncapital Financing Activities:		
Cash transfers from other funds	7,500	7,500
Cash transfers to other funds	(1,060)	(1,060)
Net Cash Provided by Noncapital Financing Activities	<u>6,440</u>	<u>6,440</u>
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(10,704)	(10,704)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(10,704)</u>	<u>(10,704)</u>
Cash Flows from Investing Activities:		
Interest received on investments	4,756	4,756
Net Cash Provided by Investing Activities	<u>4,756</u>	<u>4,756</u>
Net Increase (decrease) in cash and cash equivalents	(1,829)	(1,829)
Cash and cash equivalents - Beginning	<u>207,227</u>	<u>207,227</u>
Cash and cash equivalents - Ending	<u>\$ 205,398</u>	<u>\$ 205,398</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating income (loss)	\$ (7,239)	\$ (7,239)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation	4,918	4,918
Net Cash Provided by (Used for) Operating Activities	<u>\$ (2,321)</u>	<u>\$ (2,321)</u>

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 STATEMENT OF FIDUCIARY NET ASSETS  
 JUNE 30, 2008

	Agency Funds
<i>Assets</i>	
Cash and cash equivalents	\$ 19,508
Due from other governments	3,531,448
Total Assets	\$ 3,550,956
<i>Liabilities</i>	
Accounts payable	\$ 2,696
Due to other governments	3,548,260
Total Liabilities	\$ 3,550,956

The notes to the financial statements are an integral part of this statement.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Office of Education #11 was formed under the provisions of the State of Illinois, Illinois State Board of Education.

In 2008, the Regional Office of Education #11 implemented Governmental Accounting Standards Board (GASB) Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*. The Regional Office of Education #11 implemented these standards during the current year, however; GASB Statement No. 48 had no impact on the financial statements.

GASB Statement No. 34 established a financial reporting model for State and local governments that included the addition of a management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of the internal service activities and the use of account groups to the already required fund financial statements and notes.

A. FINANCIAL REPORTING ENTITY

The Regional Superintendent is charged with responsibility for township fund lands; registration of the names of applicants for scholarships to State controlled universities; examinations and related duties; visitation of public schools; direction of teachers and school officers; to serve as the official advisor and assistant of school officers and teachers; to conduct teachers institutes as well as to aid and encourage the formation of other teachers meetings and assist in their management; evaluate the schools in the region; examine school treasurer's books, accounts, and vouchers; examine evidence of indebtedness; file and keep the returns of elections required to be returned to the Regional Superintendent's office; and file and keep the reports and statements returned by school treasurers and trustees.

The Regional Superintendent is also charged with the responsibilities of conducting a special census when required; providing notice of money distributed to treasurers, board presidents, clerks, and secretaries of the school districts on or before each September 30; maintenance of a map and numbering of the Regional Office of Education #11's districts; providing township treasurers with a list of district treasurers; inspecting and approving building plans which comply with State law; perform and report on annual building inspections; investigate bus drivers for valid bus driver permits and take related action as may be required; maintain a list of unfilled teaching positions and to carry out other related duties required or permitted by law.

The Regional Superintendent is responsible for inspection and approval or rejection of school treasurer's bonds. The Regional Superintendent is also required to provide the State Board of Education with an affidavit showing that the treasurers of school districts within his region are properly bonded.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. FINANCIAL REPORTING ENTITY (Concluded)

The Regional Superintendent is also responsible for apportionment and payment of funds received from the State for the districts in the region, or see that no payments are made unless the treasurer has filed or renewed the appropriate bond and that the district has certified publication of the annual financial report. The Regional Superintendent is required to provide opinions and advice related to controversies under school law.

For the period ended June 30, 2008, the Regional Office of Education #11 applied for, received, and administered numerous State and federal programs and grants in assistance and support of the educational activities of the school districts in Regional Office of Education #11. Such activities are reported as a single major special revenue fund (i.e. within the Education Fund).

B. SCOPE OF THE REPORTING ENTITY

The Regional Office of Education #11 reporting entity includes all related organizations for which they exercise oversight responsibility.

The Regional Office of Education #11 has developed criteria to determine whether outside agencies with activities which benefit the citizens of the Regional Office of Education #11, including districts or joint agreements which serve pupils from numerous regions, should be included in its financial reporting entity. The criteria include, but are not limited to, whether the Regional Office of Education #11 exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financing relationships.

The districts and joint agreements have been determined not to be a part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria and are therefore excluded from the accompanying financial statements because the Regional Office of Education #11 does not control the assets, operations, or management of the districts or joint agreements. In addition, the Regional Office of Education #11 is not aware of any entity which would exercise such oversight as to result in the Regional Office of Education #11 being considered a component unit of the entity.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. They report information on all of the Regional Office of Education #11's activities with most of the interfund activities removed. Governmental activities include programs supported primarily by State and federal grants and other intergovernmental revenues. The Regional Office of Education #11 has one business-type activity that relies on fees and charges for support.

The Regional Office of Education #11's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present a summary of governmental and business-type activities for the Regional Office of Education #11 accompanied by a total column. These statements are presented on an "economic resources" measurement as prescribed by GASB Statement No. 34. All of the Regional Office of Education #11's assets and liabilities, including capital assets, are included in the accompanying Statement of Net Assets. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, such as, payables, receivables and transfers. Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the governmental fund Balance Sheet and proprietary fund Statement of Net Assets and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and on the proprietary fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All interfund transactions between governmental funds are eliminated on the government-wide financial statements. All internal balances in the Statement of Net Assets have been eliminated.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net assets and changes in net assets presented in the government-wide financial statements.

The governmental fund financial statements have been prepared in accordance with generally accepted accounting principles on the modified accrual basis. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual i.e., when both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for prepaid expenses, and other long-term obligations, which are recognized when paid.

E. PROPRIETARY FUND FINANCIAL STATEMENTS

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and nonmajor funds aggregated.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

The governmental funds financial statements focus on the measurement of spending or "financial flow" and the determination of changes in financial position, rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Regional Office of Education #11; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict the guidance of the Governmental Accounting Standards Board.

Under the provision of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Regional Office of Education applies all GASB pronouncements and has elected to apply only the pronouncements issued on or before November 30, 1989 for the following: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.



REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Concluded)

Under the terms of grant agreements, Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties Regional Office of Education #11 funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted funding resources available to finance the program. It is Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties Regional Office of Education #11's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

G. FUND ACCOUNTING

The Regional Office of Education #11 uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Regional Office of Education #11 uses governmental, proprietary, and fiduciary funds.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are reported. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as a fund balance.

As prescribed by GASB Statement No. 34, governmental fund reporting focuses on the major funds rather than on the fund type. There is a two-step process for determining if a fund should be reported as a major fund: 1) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for the fund type, and 2) total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and proprietary funds combined. Funds that do not meet the major fund determination requirements are reported in aggregate as nonmajor funds. The Regional Office of Education #11 has presented all major funds that met the above qualifications.

The Regional Office of Education #11 reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Regional Office of Education #11. It is used to account for the expenditures which benefit all school districts in the region except those required to be accounted for in other funds. General Funds include the following:

County - This fund is used to account for all financial resources except those required to be accounted for in other funds.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Direct Service - This fund is used to account for interest that is earned on deposits in the Distributive Fund's interest-bearing checking account.

ROE/ISC Operations - This fund accounts for the resources associated with all the individual funds within the Education Fund which are not required to be accounted for in any specific fund within the Education Fund.

Major Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are legally restricted to expenditures for specified purposes. Major special revenue funds include the following:

Education Fund – This fund is used to account for various grant and education enhancement programs as follows:

Title IV – Safe & Drug Free School Formula - This program accounts for the proceeds from federal grants expended under the Safe and Drug Free Schools program. The program concentrates on developing Regional Prevention Groups (RPG) and coordination of school policies, curriculum, family support, and community activities to improve the effectiveness of prevention efforts.

Pathways - This program accounts for money received from local districts to provide services for the districts' 16-21 year old drop out students. The Region subcontracts Lake Land College to provide the services.

Illinois Violence Prevention Authority - This program accounts for State funds received to develop and implement the operation of violence prevention activities in Regional Office of Education #11.

Standards Aligned Classroom (SAC) Statewide Professional Development - This program accounts for the proceeds from the Statewide Professional Development grant. This grant is for the funding of statewide professional development activities that will be conducted by 44 Regional Offices of Education, including the Regional Office of Education #11, and the three Intermediate Service Centers in Suburban Cook County in the amount of State funds approved by the Illinois State Board of Education. This grant is administered by Regional Office of Education #11.

Truants Alternative/Optional Education - This program accounts for the proceeds from State grants expended under a program to reduce student truancy.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Continued)

Regional Safe Schools - This program accounts for the proceeds from the Regional Safe Schools monies. The program concentrates on the education of students who have been expelled from the school districts served by Regional Office of Education #11.

Youth Services - This program accounts for the general state aid and non grant expenditures for the Truancy Program and Regional Safe Schools Program which are both youth service activities.

Title II – Teacher Quality – The program provides funding to support academic achievement of all students by helping schools to improve teacher and principal quality.

Area IV - System of Support - This program was formed to assist area schools and districts within six regional offices in Area IV with systematic and sustainable improvement efforts.

Title V – Innovative Programs - This fund provides for participation in a Statewide full-service school project.

McKinney-Vento Homeless Children and Youth Program- This program accounts for the proceeds from the federal statewide grant under McKinney Vento Homeless Children and Youth Program. This program is designed to assist in implementing homeless services.

Other Federal Programs - This fund provides services and programs to non-title schools as well as student, family, and community support services to all school districts in the Clark, Coles, Cumberland, Douglas, Edgar, Moultrie, and Shelby Counties – ROE #11’s region on System of Support status. The fund also provides for the administrative costs for the direction of the program and grant management.

The Regional Office of Education #11 reports the following nonmajor governmental funds:

Nonmajor Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary or major capital projects) that are legally restricted to expenditures for specified purposes. Nonmajor special revenue funds include the following:

Institute Fund - This fund accounts for fees from registrations. These funds are used to help pay certain administrative expenses incurred to conduct workshops and for general meetings with teachers and other school personnel. All funds generated remain restricted until expended only on the aforementioned activities.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUNDS (Concluded)

General Educational Development Fund (GED) – This fund accounts for proceeds earned from students who pay to participate in the high school equivalency program. These proceeds are used to pay administrative expenses incurred to administer the GED program.

Bus Driver Training – This fund accounts for the fees charged for annual training courses. Proceeds from these fees are used to pay administrative expenses incurred pertaining to the program.

Supervisory Fund - This fund accounts for proceeds provided to the Regional Superintendent by the Illinois State Board of Education to be used for travel and related expenses.

PROPRIETARY FUND

Proprietary Funds are those in which revenues and expenses related to services provided to organizations inside the Regional Office of Education #11 on a cost reimbursement basis are reported.

The Regional Office of Education #11 reports the following proprietary fund:

Local Workshops – The local workshops fund is used to account for the workshop registration fees and expenses related to workshops sponsored by the Regional Office of Education #11.

FIDUCIARY FUND

Agency Funds - Agency Funds are used to account for assets held by the Regional Office of Education #11 in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Regional Office of Education #11's Agency Funds include the following:

Distributive Fund - This fund accounts for the proceeds apportioned to the Region that in turn distributes the proceeds to the member school districts.

Regional Trustee Fund - This fund accounts for the proceeds from the sale of school properties, royalties, and other receipts by the Superintendent that are forwarded to school districts. It is also used to account for detachment request fees received from landowners. The remainder of fees after expenses of the detachment hearing are returned to the landowner.

Interest on Distributive Fund - Interest on the distributive fund is transferred semi-annually to recipients.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. NET ASSETS

Equity is classified as net assets and displayed in three components:

Invested in capital assets - Consists of capital assets, net of accumulated depreciation.

Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets."

I. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on deposit.

J. INVENTORY

Inventory is not recorded. The cost is recorded as an expenditure at the time individual inventory items are purchased.

K. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$500 or more and estimated useful lives of greater than two years are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Office Equipment and Furniture	5-10 years
Computer Equipment	3-10 years
Other Equipment	5-20 years

L. COMPENSATED ABSENCES

Sick pay must be accumulated but does not vest with the employee. Vacation time can be carried over up to a maximum of five days per year. However, any accruals as of June 30<sup>th</sup> are considered immaterial by management and not reflected in the basic financial statements.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

M. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. BUDGET INFORMATION

The Regional Office of Education #11 acts as the administrative agent for certain grant programs that are accounted for in the General and Education Fund. Certain programs have separate budgets and are required to report to the Illinois State Board of Education; however, none of the annual budgets have been legally adopted nor are they required to be. The General Fund and certain programs within the Special Revenue Fund do not have separate budgets. Comparisons of budgeted and actual results are presented as supplemental information. Budget information has been provided in supplementary schedules for the following funds: ROE/ISC Operations, Title IV – Safe and Drug Free School - Formula, Standards Aligned Classroom Statewide Professional Development, Truant Alternative/Optional Education, Regional Safe Schools, Title II – Teacher Quality, Area IV - System of Support, Title V – Innovative Programs, McKinney-Vento Homeless Children and Youth Program and Other Federal Programs.

NOTE 2 – DEPOSITS AND INVESTMENTS

The Regional Office of Education #11 does not have a formal investment policy. The Regional Office of Education #11 is allowed to invest in securities as authorized by 30 ILCS-235/2 and 6 and 105 ILCS-5/8-7.

A. DEPOSITS

At June 30, 2008, the carrying amount of the Regional Office of Education #11's government-wide and Agency fund deposits were \$804,331 and \$19,508, respectively, and the bank balances were \$901,006 and \$514,512, respectively. At June 30, 2008, \$227,028 of the Regional Office of Education #11's cash deposits was insured by the Federal Deposit Insurance Corporation. Another \$673,979 was collateralized by securities pledged by the Regional Office's financial institution on behalf of the Regional Office.

B. INVESTMENTS

The Regional Office of Education #11 does not have a formal investment policy, as its only investments are internally pooled in the Illinois Funds Money Market Fund. As of June 30, 2008, the Regional Office of Education #11 had investments with carrying and fair value of \$511,816 invested in the Illinois Funds Money Market Fund.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 2 – DEPOSITS AND INVESTMENTS (Concluded)

B. INVESTMENTS (Concluded)

CREDIT RISK

At June 30, 2008, the Illinois Funds Money Market Fund had a Standard and Poor's AAAM rating. The pool is audited annually by an outside independent auditor and copies of the report are distributed to participants. Although not subject to direct regulatory oversight, the fund is administered by the Illinois State Treasurer in accordance with the provision of the Illinois Public Funds Investment Act, 30 ILCS 235. All investments are fully collateralized.

INTEREST RATE RISK

The Illinois Funds Money Market Fund, created by the Illinois General Assembly, enables custodians of public funds an investment option with a competitive rate of return on fully collateralized investments and immediate access to the funds. The investment policy of the Illinois Funds Money Market Funds states that, unless authorized specifically by the Treasurer, a minimum of 75% of its investments shall have less than one-year maturity and no investment shall exceed two years maturity.

CONCENTRATION OF CREDIT RISK

Unless specifically authorized by the Treasurer, the Illinois Funds Money Market Fund's investment policy limits investment categories to not exceed 25% of the portfolio with the exception of cash equivalents and U.S. Treasury securities. Further certificates of deposit cannot exceed 10% of any single financial institution's total deposits.

NOTE 3 - DEFINED BENEFIT PENSION PLAN

**Plan Description.** The Regional Office of Education #11's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Regional Office of Education #11's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on line at [www.imrf.org](http://www.imrf.org).

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 - DEFINED BENEFIT PENSION PLAN (Concluded)

**Funding Policy.** As set by statute, the Regional Office of Education #11's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2007 was 9.10 percent of annual covered payroll. The Regional Office of Education #11 also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost.** For 2007, the Regional Office of Education #11's annual pension cost of \$19,855 for the Regular plan was equal to the Regional Office of Education #11's required and actual contributions.

THREE YEAR TREND INFORMATION			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$ 19,855	100%	\$ 0
12/31/06	29,962	100%	0
12/31/05	21,316	100%	0

The required contribution was determined as part of the December 31, 2005, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2005, included a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), b) projected salary increases of 4.00% a year, attributable to inflation, c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Regional Office of Education #11's Regular plan's overfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 5 years.

**Funded Status and Funding Progress.** As of December 31, 2007, the most recent actuarial valuation date, the Regular plan was 102.38 percent funded. The actuarial accrued liability for benefits was \$684,081 and the actuarial value of assets was \$700,375, resulting in an overfunded actuarial accrued liability (UAAL) of \$16,294. The covered payroll (annual payroll of active employees covered by the plan) was \$218,188 and since the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.



REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The Regional Office of Education #11 participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains primary responsibility for funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate through June 30, 2008 was 9.4 percent of creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the ended June 30, 2007 and 2006. In addition, virtually all members pay a contribution to the Teacher's Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not part of this retirement plan. The employer THIS Fund Contribution was 0.63 percent during the year ended June 30, 2008, and the member THIS Fund health insurance contribution was 0.84 percent.

The State of Illinois makes contributions directly to TRS on behalf of the Regional Office of Education #11's TRS-covered employees.

- **On behalf contributions.** The State of Illinois makes employer pension contributions on behalf of the Regional Office of Education #11. For the year ended June 30, 2008, State of Illinois contributions were based on 13.11 percent of creditable earnings not paid from federal funds, and the Regional Office of Education #11 recognized revenue and expenditures of \$81,459 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2007 and June 30, 2006, the State of Illinois contribution rates as percentages of creditable earnings were 9.78 percent (\$60,971) and 7.06 percent (\$42,833), respectively.

The state contributions to TRS for the year ended June 30, 2008 were based on an actuarial formula. The state contributions for the years ended June 30, 2007 and June 30, 2006 were based on dollar amounts specified by the statute and were not actuarially determined.

- **2.2 formula contributions.** Employers contribute 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the year ended June 30, 2008 were \$3,603. Contributions for the years ending June 30, 2007, and June 30, 2006, were \$3,616 and \$3,519, respectively.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2008

NOTE 4 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Continued)

- **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the Regional Office of Education #11, there is a statutory requirement for the Regional Office of Education #11 to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate for TRS. For the year ended June 30, 2008, the employer pension contribution was 13.11 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2007 and 2006, the employer contribution was 9.78 and 7.06 percent of salaries paid from federal and special trust funds, respectively.

For the year ended June 30, 2008, salaries totaling \$8,143 were paid from federal and special trust funds that required employer contributions of \$1,068. For the years ended June 30, 2007, and June 30, 2006, required Regional Office of Education #11 contributions were \$4,654 and \$5,009, respectively.

- **Early retirement option.** The Regional Office of Education #11 is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires. Under Public Act 94-0004, a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2008. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer ERO contributions that had been in effect for members with 34 years of service (unless the member qualifies for the Pipeline ERO). Under the ERO program that expired on June 30, 2005 and the Pipeline ERO, the maximum employer contributions is 100 percent of the member's highest salary used in the final average salary calculation. Under the Modified ERO, the maximum employer contribution is 117.5 percent. Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement. For year end June 30, 2008, the Regional Office of Education #11 paid no employer contribution to TRS under the Pipeline ERO and Modified ERO programs. For the years ended June 30, 2007 and June 30, 2006, the Regional Office of Education #11 paid no employer ERO contributions.
- **Salary increases over 6 percent and excess sick leave.** Public Act 94-0004 added two new employer contributions to TRS.

If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2008

NOTE 4 - TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (Concluded)

For the year ended June 30, 2008, the Regional Office of Education #11 paid no TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2007 and June 30, 2006, the Regional Office of Education #11 paid no employer contributions to TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.62 percent of salary during the year ended June 30, 2008).

For the year ended June 30, 2008, the Regional Office of Education #11 paid no employer contributions to TRS for sick leave days granted in excess of the normal annual allotment. For the year ended June 30, 2007 and June 30, 2006, the Regional Office of Education #11 paid no employer contributions granted for sick leave days.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2007. The report for June 30, 2008, is expected to be available in late 2008. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS web site at trs.illinois.gov.

NOTE 5 - DUE TO/FROM OTHER FUNDS

Interfund due to/from other fund balances at June 30, 2008 consist of the following individual due to/from other funds in the governmental fund balance sheet. The balances between governmental funds were eliminated in the government-wide Statement of Net Assets.

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
<u>General Fund</u>	<u>Education Fund</u>	
ROE/ISC OPERATIONS	AREA IV - SYSTEM OF SUPPORT	\$ <u>8,412</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2008

NOTE 6 - INTERFUND ACTIVITY

TRANSFERS

Interfund transfer in/out to other fund balances at June 30, 2008 consist of the following individual transfers in/out other funds in the governmental fund balance sheet. The transfer balances between governmental funds were eliminated in the government-wide Statement of Activities; however, the transfers between the governmental funds and the business-type funds were not eliminated.

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
<u>Governmental Funds:</u>	<u>Governmental Funds:</u>	
General Fund	Illinois Violence Prevention Authority	500
General Fund	Standards Aligned Classroom (SAC)	5,000
General Fund	Youth Services	7,500
General Fund	Regional Safe School	2
<u>Governmental Funds:</u>	<u>Proprietary Fund:</u>	
Nonmajor Fund	Local Workshops	300
General Fund	Local Workshops	760
<u>Proprietary Fund:</u>	<u>Governmental Funds:</u>	
Local Workshops	Youth Services	2,500
Local Workshops	General Fund	5,000
Total Transfers In/Out		\$ 21,562

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2008

NOTE 7 – CAPITAL ASSETS

In accordance with GASB Statement No. 34, the Regional Office of Education #11 has reported capital assets in the government-wide Statement of Net Assets. Purchases are reported as capital outlay in the governmental fund statements. The following table provides a summary of changes in capital assets for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Governmental Activities				
General Funds:				
Office Operating	\$ 56,649	\$ 1,496	\$ -	\$ 58,145
ROE/ISC Operations	4,801	-	761	4,040
Direct Services	141	-	-	141
Total for General Funds	<u>61,591</u>	<u>1,496</u>	<u>761</u>	<u>62,326</u>
Special Revenue Funds:				
General Education Development Institute	400	-	-	400
Institute	265	300	-	565
Total for Special Revenue Funds	<u>665</u>	<u>300</u>	<u>-</u>	<u>965</u>
Education Funds:				
Area IV - System of Support	3,156	-	-	3,156
Regional Safe Schools	67,142	-	-	67,142
Youth Services	13,211	3,103	-	16,314
Title I - Reading First Part B SEA	3,998	-	500	3,498
Title II - Teacher Quality	890	-	-	890
Technology Enhancing Education	7,244	-	-	7,244
Total for Education Funds	<u>95,641</u>	<u>3,103</u>	<u>500</u>	<u>98,244</u>
Total - Governmental Activities	157,897	4,899	1,261	161,535
Less: Accumulated Depreciation	<u>154,435</u>	<u>4,233</u>	<u>1,261</u>	<u>157,407</u>
Investment in Capital Assets, Net Governmental Activities	<u>\$ 3,462</u>	<u>\$ 666</u>	<u>\$ -</u>	<u>\$ 4,128</u>
	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Business-Type Activities:				
Local Workshops	\$ 20,420	\$ 10,704	\$ 3,289	\$ 27,835
Less: Accumulated Depreciation	<u>16,799</u>	<u>4,918</u>	<u>3,289</u>	<u>18,428</u>
Investment in Capital Assets, Net	<u>\$ 3,621</u>	<u>\$ 5,786</u>	<u>\$ -</u>	<u>\$ 9,407</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2008

NOTE 7 – CAPITAL ASSETS (Concluded)

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended June 30, 2008 of \$4,233 and \$4,918 was charged to governmental activities and business-type activities, respectively. Investment in capital assets is the component of net assets that reports capital assets net of accumulated depreciation.

NOTE 8 - RISK MANAGEMENT

The Regional Office of Education #11 is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Regional Office of Education #11 has purchased commercial insurance to cover these risks. No losses have been incurred in excess of the amounts covered by insurance over the past three years.

NOTE 9 – ON BEHALF PAYMENTS

The State of Illinois paid the following salaries on behalf of the Regional Office of Education #11:

Regional Superintendent Salary	\$105,761
Regional Superintendent Fringe Benefit (Includes State paid insurance)	19,255
Assistant Regional Superintendent Salary	95,045
Assistant Regional Superintendent Fringe Benefit (Includes State paid insurance)	20,054
TRS Pension contribution	<u>81,459</u>
 Total	 <u>\$321,574</u>

Salary and benefit data for the Regional Superintendent and Assistant Regional Superintendent was calculated based on data provided by the Illinois State Board of Education.

These amounts have been recorded in the accompanying financial statements as State revenue and expenditures.

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2008

NOTE 10 – DUE TO/FROM OTHER GOVERNMENTS

The Regional Office of Education #11’s Agency Fund, Proprietary Fund, and Education Fund have funds due to and due from various other governmental units which consist of the following:

Due From Other Governments:

<u>Fiduciary Fund</u>	
Illinois State Board of Education	\$3,531,448
<u>Education Fund</u>	
Regional Office of Education #32	37,371
<u>Proprietary Fund</u>	
Local School Districts	1,900
<u>General Fund</u>	
Various Counties	<u>513</u>

Total	<u>\$3,571,232</u>
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Due to Other Governments

<u>Fiduciary Fund</u>	
Local School Districts	<u>\$3,548,260</u>

NOTE 11 – OPERATING LEASES

The Regional Office of Education #11 has entered into several operating lease agreements for its office facilities, Bridges Alternative School Program, Regional Safe Schools Program, a postage meter and two copiers. During the year ended June 30, 2008 rentals under lease obligations were \$67,552. Future minimum rentals are as follows for the years ending June 30:

2009	\$ 67,552
2010	56,040
2011	48,170
2012	46,800
2013	46,800
2014-2018	234,000
2019-2021	<u>113,100</u>
Total	<u>\$ 612,462</u>

REQUIRED SUPPLEMENTAL INFORMATION  
(Other than Management's Discussion and Analysis)



REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 SCHEDULE OF FUNDING PROGRESS  
 (UNAUDITED)  
 JUNE 30, 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ( (b-a)/c )
12/31/07	700,375	684,081	(16,294)	102.38%	218,188	0.00%
12/31/06	601,742	629,027	27,285	95.66%	204,942	13.31%
12/31/05	541,092	562,995	21,903	96.11%	196,641	11.14%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$762,089.

On a market basis, the funded ratio would be 111.40%.

\* Digest of changes

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study. The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and early retirements are expected to occur.

SUPPLEMENTAL INFORMATION

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF ACCOUNTS  
 GENERAL FUND  
 JUNE 30, 2008

	County	Direct Service	ROE/ISC Operations	TOTALS
Assets				
Cash and cash equivalents	\$ 251,427	\$ 97,146	\$ 19,862	\$ 368,435
Due from other funds	-	-	8,412	8,412
Due from other governments	513	-	-	513
Total Assets	<u>\$ 251,940</u>	<u>\$ 97,146</u>	<u>\$ 28,274</u>	<u>\$ 377,360</u>
Liabilities				
Due to other fund	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
Fund Balances				
Unreserved	251,940	97,146	28,274	377,360
Total Liabilities and Fund Balances	<u>\$ 251,940</u>	<u>\$ 97,146</u>	<u>\$ 28,274</u>	<u>\$ 377,360</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GENERAL FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2008

	County	Direct Service	ROE/ISC Operations	TOTALS
<b>Revenues</b>				
Local sources	\$ 275,628	\$ 21,630	\$ -	\$ 297,258
State sources	60	2,904	93,347	96,311
State sources-payments made on behalf of region	321,574	-	-	321,574
<b>Total Revenues</b>	<b>597,262</b>	<b>24,534</b>	<b>93,347</b>	<b>715,143</b>
<b>Expenditures</b>				
Salaries and benefits	180,453	-	82,976	263,429
Purchased services	70,491	30,500	5,218	106,209
Supplies and materials	7,237	-	5,153	12,390
Other objects	399	1,386	-	1,785
Capital outlay	1,496	-	-	1,496
Payments made on behalf of region	321,574	-	-	321,574
<b>Total Expenditures</b>	<b>581,650</b>	<b>31,886</b>	<b>93,347</b>	<b>706,883</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>15,612</b>	<b>(7,352)</b>	<b>-</b>	<b>8,260</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	13,253	-	-	13,253
Transfers out	-	(5,000)	-	(5,000)
Interest	5,217	27,707	858	33,782
<b>Total Other Financing Sources (Uses)</b>	<b>18,470</b>	<b>22,707</b>	<b>858</b>	<b>42,035</b>
<b>Net Change in Fund Balances</b>	<b>34,082</b>	<b>15,355</b>	<b>858</b>	<b>50,295</b>
<b>Fund Balance - Beginning</b>	<b>217,858</b>	<b>81,791</b>	<b>27,416</b>	<b>327,065</b>
<b>Fund Balance - Ending</b>	<b>\$ 251,940</b>	<b>\$ 97,146</b>	<b>\$ 28,274</b>	<b>\$ 377,360</b>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND ACCOUNTS  
 ROE/ISC OPERATIONS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State	\$ 93,347	\$ 93,347	\$ 93,347
Total Revenues	<u>93,347</u>	<u>93,347</u>	<u>93,347</u>
Expenditures			
Salaries and benefits	90,471	82,896	82,976
Purchased services	1,855	5,341	5,218
Supplies and materials	1,021	5,110	5,153
Total Expenditures	<u>93,347</u>	<u>93,347</u>	<u>93,347</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Interest	<u>-</u>	<u>-</u>	<u>858</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>858</u>
Net Change in Fund Balance	-	-	858
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>27,416</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,274</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF ACCOUNTS

EDUCATION FUND

JUNE 30, 2008

	Title IV - Safe & Drug Free School - Formula	Pathways	Illinois Violence Prevention Authority	Standards Aligned Classroom Statewide Professional Development
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 2,848	\$ -
Due from other governments:				
State	-	-	-	-
Federal	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,848</b>	<b>\$ -</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	2,848	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>2,848</b>	<b>-</b>
<b>Fund Balances</b>				
Unreserved	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,848</b>	<b>\$ -</b>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF ACCOUNTS

EDUCATION FUND  
 JUNE 30, 2008

	Truants	Alternative/ Optional Education	Regional Safe Schools	Youth Services	Title II - Teacher Quality
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 106,390	\$ -
Due from other governments:					
State	-	186	-	-	-
Federal	-	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 186</b>	<b>\$ 186</b>	<b>\$ 106,390</b>	<b>\$ -</b>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 33,521	\$ -
Payroll liabilities	-	-	-	33,994	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	186	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>186</b>	<b>186</b>	<b>67,515</b>	<b>-</b>
Fund Balances					
Unreserved	-	-	-	38,875	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,875</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 186</b>	<b>\$ 186</b>	<b>\$ 106,390</b>	<b>\$ -</b>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF ACCOUNTS  
 EDUCATION FUND  
 JUNE 30, 2008

	Area IV - System of Support	Title V - Innovative Programs	Mckinney-Vento Homeless Children and Youth Program	Other Federal Programs	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 5,375	\$ -	\$ -	\$ -	\$ 114,613
Due from other governments:					
State	1,296	-	-	-	1,482
Federal	35,889	-	-	-	35,889
<b>Total Assets</b>	<b>\$ 42,560</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 151,984</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 33,521
Payroll liabilities	-	-	-	-	33,994
Due to other funds	8,412	-	-	-	8,412
Deferred revenue	34,148	-	-	-	37,182
<b>Total Liabilities</b>	<b>42,560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,109</b>
<b>Fund Balances</b>					
Unreserved	-	-	-	-	38,875
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,875</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 42,560</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 151,984</b>



REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Title IV - Safe & Drug Free School - Formula	Pathways	Illinois Violence Prevention Authority	Standards Aligned Classroom Statewide Professional Development
Revenues				
Local sources	\$ -	\$ 41,350	\$ -	\$ 9,001
State sources	-	-	19,876	144,900
Federal sources	210	-	-	453,100
Total Revenues	210	41,350	19,876	607,001
Expenditures				
Salaries and benefits	-	-	16,121	1,372
Purchased services	210	-	2,937	-
Supplies and materials	-	-	458	3,728
Payments to other governments	-	41,350	-	598,464
Capital outlay	-	-	-	-
Total Expenditures	210	41,350	19,516	603,564
Excess (Deficiency) of Revenues Over Expenditures	-	-	360	3,437
Other Financing Sources (Uses):				
Transfer out	-	-	(500)	(5,000)
Interest	-	-	140	1,563
Total Other Financing Sources (Uses)	-	-	(360)	(3,437)
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Truants Alternative/ Optional Education	Regional Safe Schools	Youth Services	Title II - Teacher Quality
<b>Revenues</b>				
Local sources	\$ -	\$ -	\$ 5,262	\$ -
State sources	123,096	222,583	387,949	-
Federal sources	-	-	26,733	1,475
<b>Total Revenues</b>	<b>123,096</b>	<b>222,583</b>	<b>419,944</b>	<b>1,475</b>
<b>Expenditures</b>				
Salaries and benefits	114,937	220,305	297,832	-
Purchased services	7,899	2,425	98,551	1,476
Supplies and materials	345	-	32,046	-
Payments to other governments	-	-	-	-
Capital outlay	-	-	3,103	-
<b>Total Expenditures</b>	<b>123,181</b>	<b>222,730</b>	<b>431,532</b>	<b>1,476</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(85)</b>	<b>(147)</b>	<b>(11,588)</b>	<b>(1)</b>
<b>Other Financing Sources (Uses):</b>				
Transfer out	-	(2)	(10,000)	-
Interest	85	149	1,828	1
<b>Total Other Financing Sources (Uses)</b>	<b>85</b>	<b>147</b>	<b>(8,172)</b>	<b>1</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>(19,760)</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>-</b>	<b>-</b>	<b>58,635</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,875</b>	<b>\$ -</b>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 EDUCATION FUND ACCOUNTS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Area IV - System of Support	Title V - Innovative Programs	Mckinney-Vento Homeless Children and Youth Program	Other Federal Programs	TOTAL
Revenues					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 55,613
State sources	5,338	-	-	-	903,742
Federal sources	129,196	128	8,646	5,000	624,488
Total Revenues	134,534	128	8,646	5,000	1,583,843
Expenditures					
Salaries and benefits	47,241	-	2,039	-	699,847
Purchased services	68,851	128	5,756	1,150	189,383
Supplies and materials	20,004	-	870	3,850	61,301
Payments to other governments	-	-	-	-	639,814
Capital outlay	-	-	-	-	3,103
Total Expenditures	136,096	128	8,665	5,000	1,593,448
Excess (Deficiency) of Revenues Over Expenditures	(1,562)	-	(19)	-	(9,605)
Other Financing Sources (Uses):					
Transfer out	-	-	-	-	(15,502)
Interest	95	-	19	-	3,880
Total Other Financing Sources (Uses)	95	-	19	-	(11,622)
Net Change in Fund Balances	(1,467)	-	-	-	(21,227)
Fund Balances - Beginning	1,467	-	-	-	60,102
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -	\$ 38,875

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TITLE IV - SAFE & DRUG FREE SCHOOL - FORMULA  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal	\$ 210	\$ 210	\$ 210
Total Revenues	<u>210</u>	<u>210</u>	<u>210</u>
Expenditures			
Purchased services	210	210	210
Total Expenditures	<u>210</u>	<u>210</u>	<u>210</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 STANDARDS ALIGNED CLASSROOM STATEWIDE PROFESSIONAL DEVELOPMENT  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Local	\$ -	\$ -	\$ 9,001
State	144,900	144,900	144,900
Federal	408,100	453,100	453,100
Total Revenues	<u>553,000</u>	<u>598,000</u>	<u>607,001</u>
Expenditures			
Salaries and benefits	-	-	1,372
Purchased services	-	-	-
Supplies and materials	-	-	3,728
Payments to other governments	553,000	598,000	598,464
Total Expenditures	<u>553,000</u>	<u>598,000</u>	<u>603,564</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>3,437</u>
Other Financing Sources (Uses)			
Transfer out	-	-	(5,000)
Interest	-	-	1,563
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,437)</u>
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TRUANT ALTERNATIVE / OPTIONAL EDUCATION  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State	\$ 107,220	\$ 123,220	\$ 123,096
Total Revenues	<u>107,220</u>	<u>123,220</u>	<u>123,096</u>
Expenditures			
Salaries and benefits	101,320	116,420	114,937
Purchased services	5,900	6,400	7,899
Supplies and materials	-	400	345
Total Expenditures	<u>107,220</u>	<u>123,220</u>	<u>123,181</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(85)</u>
Other Financing Sources (Uses)			
Interest	<u>-</u>	<u>-</u>	<u>85</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>85</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 REGIONAL SAFE SCHOOLS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State	\$ 222,769	\$ 222,769	\$ 222,583
Total Revenues	<u>222,769</u>	<u>222,769</u>	<u>222,583</u>
Expenditures			
Salaries and benefits	219,083	219,083	220,305
Purchased services	<u>3,686</u>	<u>3,686</u>	<u>2,425</u>
Total Expenditures	<u>222,769</u>	<u>222,769</u>	<u>222,730</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(147)</u>
Other Financing Sources (Uses)			
Transfer out	-	-	(2)
Interest	<u>-</u>	<u>-</u>	<u>149</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>147</u>
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TITLE II - TEACHER QUALITY  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal	\$ 1,459	\$ 1,459	\$ 1,475
Total Revenues	1,459	1,459	1,475
Expenditures			
Purchased services	1,459	1,459	1,476
Total Expenditures	1,459	1,459	1,476
Excess (Deficiency) of Revenues Over Expenditures	-	-	(1)
Other Financing Sources (Uses)			
Interest	-	-	1
Total Other Financing Sources (Uses)	-	-	1
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -



REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 AREA IV - SYSTEM OF SUPPORT  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
State	\$ -	\$ -	\$ 5,338
Federal	168,097	168,097	129,196
Total Revenues	<u>168,097</u>	<u>168,097</u>	<u>134,534</u>
Expenditures			
Salaries and benefits	39,010	39,010	47,241
Purchased services	107,405	107,405	68,851
Supplies and materials	21,682	21,682	20,004
Total Expenditures	<u>168,097</u>	<u>168,097</u>	<u>136,096</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(1,562)</u>
Other Financing Sources (Uses)			
Interest	<u>-</u>	<u>-</u>	<u>95</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>95</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>(1,467)</u>
Fund Balance -Beginning	<u>-</u>	<u>-</u>	<u>1,467</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 TITLE V - INNOVATIVE PROGRAMS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal	\$ 128	\$ 128	\$ 128
Total Revenues	128	128	128
Expenditures			
Purchased services	128	128	128
Total Expenditures	128	128	128
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 MCKINNEY-VENTO HOMELESS CHILDREN AND YOUTH PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal	\$ 8,646	\$ 8,646	\$ 8,646
Total Revenues	8,646	8,646	8,646
Expenditures			
Salaries and benefits	1,950	1,950	2,039
Purchased services	5,996	5,996	5,756
Supplies and materials	700	700	870
Total Expenditures	8,646	8,646	8,665
Excess (Deficiency) of Revenues Over Expenditures	-	-	(19)
Other Financing Sources (Uses)			
Interest	-	-	19
Total Other Financing Sources (Uses)	-	-	19
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE AND SHELBY COUNTIES  
 BUDGETARY COMPARISON SCHEDULE  
 EDUCATION FUND ACCOUNTS  
 OTHER FEDERAL PROGRAMS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Federal	\$ 5,000	\$ 5,000	\$ 5,000
Total Revenues	5,000	5,000	5,000
Expenditures			
Purchased services	3,500	1,150	1,150
Supplies and materials	1,500	3,850	3,850
Total Expenditures	5,000	5,000	5,000
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance -Beginning	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2008

	Institute	General Education Development	Bus Driver Training	Supervisory	TOTALS
Assets					
Cash and cash equivalents	\$ 96,501	\$ 7,521	\$ 8,469	\$ 3,394	\$ 115,885
Total Assets	<u>\$ 96,501</u>	<u>\$ 7,521</u>	<u>\$ 8,469</u>	<u>\$ 3,394</u>	<u>\$ 115,885</u>
Fund Balances					
Unreserved	\$ 96,501	\$ 7,521	\$ 8,469	\$ 3,394	\$ 115,885
Total Fund Balances	<u>\$ 96,501</u>	<u>\$ 7,521</u>	<u>\$ 8,469</u>	<u>\$ 3,394</u>	<u>\$ 115,885</u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Institute	General Education Development	Bus Driver Training	Supervisory	TOTALS
<b>Revenues</b>					
Local sources	\$ 15,658	\$ 11,891	\$ 2,471	\$ -	\$ 30,020
State sources	-	-	1,320	7,000	8,320
<b>Total Revenues</b>	<b>15,658</b>	<b>11,891</b>	<b>3,791</b>	<b>7,000</b>	<b>38,340</b>
<b>Expenditures</b>					
Salaries and benefits	-	4,997	-	-	4,997
Purchased services	18,983	5,593	3,985	6,520	35,081
Supplies and materials	898	3,325	122	-	4,345
Other objects	4,229	70	-	-	4,299
Capital outlay	300	-	-	-	300
<b>Total Expenditures</b>	<b>24,410</b>	<b>13,985</b>	<b>4,107</b>	<b>6,520</b>	<b>49,022</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(8,752)</b>	<b>(2,094)</b>	<b>(316)</b>	<b>480</b>	<b>(10,682)</b>
<b>Other Financing Sources (Uses)</b>					
Transfer in	300	-	-	-	300
Transfer out	-	-	-	-	-
Interest	2,593	227	229	110	3,159
<b>Total Other Financing Sources (Uses)</b>	<b>2,893</b>	<b>227</b>	<b>229</b>	<b>110</b>	<b>3,459</b>
<b>Net Change in Fund Balances</b>	<b>(5,859)</b>	<b>(1,867)</b>	<b>(87)</b>	<b>590</b>	<b>(7,223)</b>
<b>Fund Balances - Beginning</b>	<b>102,360</b>	<b>9,388</b>	<b>8,556</b>	<b>2,804</b>	<b>123,108</b>
<b>Fund Balances - Ending</b>	<b>\$ 96,501</b>	<b>\$ 7,521</b>	<b>\$ 8,469</b>	<b>\$ 3,394</b>	<b>\$ 115,885</b>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 AGENCY FUNDS  
 JUNE 30, 2008

	<u>Distributive</u>	<u>Regional Trustee Fund</u>	<u>TOTALS</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 16,812	\$ 2,696	\$ 19,508
Due from other governments	<u>3,531,025</u>	<u>423</u>	<u>3,531,448</u>
<b>Total Assets</b>	<u><u>\$ 3,547,837</u></u>	<u><u>\$ 3,119</u></u>	<u><u>\$ 3,550,956</u></u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 2,696	\$ 2,696
Due to other governments	<u>3,547,837</u>	<u>423</u>	<u>3,548,260</u>
<b>Total Liabilities</b>	<u><u>\$ 3,547,837</u></u>	<u><u>\$ 3,119</u></u>	<u><u>\$ 3,550,956</u></u>

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2008

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<u>DISTRIBUTIVE</u>				
Assets				
Cash and cash equivalents	\$ 6,225	\$ 72,181,823	\$ 72,171,236	\$ 16,812
Due from other governments	867,880	2,663,145	-	3,531,025
Total Assets	<u>\$ 874,105</u>	<u>\$ 74,844,968</u>	<u>\$ 72,171,236</u>	<u>\$ 3,547,837</u>
Liabilities				
Due to other governments	\$ 874,105	\$ 74,844,968	\$ 72,171,236	\$ 3,547,837
Total Liabilities	<u>\$ 874,105</u>	<u>\$ 74,844,968</u>	<u>\$ 72,171,236</u>	<u>\$ 3,547,837</u>
<u>REGIONAL TRUSTEE FUND</u>				
Assets				
Cash and cash equivalents	\$ 2,056	\$ 3,732	\$ 3,092	\$ 2,696
Due from other governments	-	423	-	\$ 423
Total Assets	<u>\$ 2,056</u>	<u>\$ 4,155</u>	<u>\$ 3,092</u>	<u>\$ 3,119</u>
Liabilities				
Accounts Payable	\$ 2,056	\$ 640	\$ -	\$ 2,696
Due to other governments	-	423	-	423
Total Liabilities	<u>\$ 2,056</u>	<u>\$ 1,063</u>	<u>\$ -</u>	<u>\$ 3,119</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ 8,281	\$ 72,185,555	\$ 72,174,328	\$ 19,508
Due from other governments	867,880	2,663,568	-	3,531,448
Total Assets	<u>\$ 876,161</u>	<u>\$ 74,849,123</u>	<u>\$ 72,174,328</u>	<u>\$ 3,550,956</u>
Liabilities				
Accounts payable	\$ 2,056	\$ 640	\$ -	\$ 2,696
Due to other governments	874,105	74,845,391	72,171,236	3,548,260
Total Liabilities	<u>\$ 876,161</u>	<u>\$ 74,846,031</u>	<u>\$ 72,171,236</u>	<u>\$ 3,550,956</u>



REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
 FOR THE YEAR ENDED JUNE 30, 2008

	Casey									
	Marshall CUSD #C-2	Martinsville CUSD #C-3	Westfield CUSD #C-4	Mattoon CUSD #2	Oakland CUSD #5	Neoga CUSD #3	Cumberland CUSD #77	Arthur CUSD #305		
ADA Safety & Educational Block Grant	\$ 50,465	\$ 13,325	\$ 38,411	\$ 114,025	\$ 11,085	\$ 28,452	\$ 34,166	\$ 16,617		
Bilingual Ed. - Downstate - TBE	-	-	728	-	-	-	-	-		
Driver Education	16,858	5,315	10,747	42,210	4,612	10,588	9,434	8,387		
Early Childhood Block Grant - State Preschool at Risk	-	-	-	2,868,883	-	-	-	-		
Fed. - Sp. Ed. - I.D.E.A. - Room & Board	6,233	20,523	-	2,461	-	8,450	9,369	-		
General State Aid - Hold Harmless/Supplemental	-	-	-	-	-	-	-	65,252		
General State Aid - Sec. 18-8	5,794,590	1,563,450	4,721,344	10,161,215	1,188,572	3,838,859	4,278,820	971,413		
IASA - Title I - Low Income	190,915	54,830	275,208	793,479	153,741	72,115	246,355	197,323		
IASA - Title I Even Start	-	-	-	75,000	-	-	-	-		
I-KAN Technology Enhancing Educ	-	-	-	-	-	-	-	-		
National Board Certification Initiatives - Teacher Leaders	6,208	-	-	-	-	-	-	3,000		
National School Lunch Program	138,719	56,140	160,366	482,260	36,596	90,951	124,333	38,342		
Other Federal Programs	-	-	-	-	-	-	-	-		
Other Restricted Grant-In-Aid from State Sources	-	-	233,145	-	-	-	-	-		
Reading Improvement Block Grant	45,626	12,669	41,521	124,708	16,354	24,332	34,952	24,415		
Regional Safe Schools-Alt Ed.	-	-	-	-	-	-	-	-		
ROE School Bus Driver Training	-	-	-	-	-	-	-	-		
ROE/ISC Operations	-	-	-	-	-	-	-	-		
School Breakfast Incentive	175	212	343	1,406	41	75	-	230		
School Breakfast Program	25,730	15,727	49,612	152,221	7,903	32,416	-	5,699		
Sp. Ed. - Extraordinary	155,565	43,732	122,885	364,248	36,569	86,965	109,584	49,495		
Sp. Ed. - Orphanage - Individual	7,557	-	-	26,668	-	-	2,122	-		
Sp. Ed. - Orphanage - Summer Individual	-	-	-	-	-	-	-	-		
Sp. Ed. - Personnel	148,676	18,910	133,724	607,363	21,865	46,125	92,566	47,857		
Sp. Ed. - Private Facility Tuition	38,124	-	2,629	25,836	-	-	3,806	-		
Sp. Ed. - Summer School	1,315	-	-	-	-	-	-	-		
Special Milk Program	-	-	-	-	-	-	-	-		
State Free Lunch & Breakfast	5,786	2,652	7,159	27,538	1,629	4,754	3,747	1,010		
Supervisory Expense	-	-	-	-	-	-	-	-		
Technology Enhancing Education - Formula	1,952	599	3,091	9,276	1,691	782	2,399	1,818		
Title II - Teacher Quality	58,034	23,457	67,912	166,543	12,707	43,945	57,717	72,097		
Title III - Immigrant Education Program	-	-	-	-	-	-	-	-		
Title IV - Safe & Drug Free Schools - Formula	4,883	1,461	5,350	14,598	2,678	2,751	4,625	3,668		
Title V Innovative Programs - IASA Title VI Formula	2,137	576	1,893	23,666	13,401	1,731	1,147	1,448		
Transportation - Regular & Vocational	267,504	125,524	232,216	371,808	123,927	190,332	338,281	77,078		
Transportation - Special Education	111,205	36,274	116,342	253,168	51,572	82,336	92,086	58,179		
Tuants Alternative/Operational Ed.	-	-	-	-	-	-	-	-		

\$ 7,078,257    \$ 1,995,376    \$ 6,224,626    \$ 16,708,580    \$ 1,684,943    \$ 4,565,959    \$ 5,445,509    \$ 1,643,328

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
 FOR THE YEAR ENDED JUNE 30, 2008

	Arcola	Shiloh	Kansas	Paris	Paris	Lovington	Cowden	Shelbyville
	CUSD #306	CUSD #1	CUSD #3	Crestwood	Crestwood	CUSD #303	Herrick	CUSD #4
	\$	\$	\$	CUSD #4	Jr High	\$	CUSD #3A	\$
ADA Safety & Educational Block Grant	23,613	15,165	9,330	25,845	-	10,899	16,861	42,686
Bilingual Ed. - Downstate - TBE	8,922	-	-	-	-	-	-	-
Driver Education	5,540	5,919	3,670	9,547	-	5,117	4,668	16,268
Early Childhood Block Grant - State Preschool at Risk	-	190,142	-	-	-	-	-	108,422
Fed. - Sp. Ed. - I.D.E.A. - Room & Board	4,226	8,546	2,121	5,809	-	294	5,482	24,819
General State Aid - Hold Harmless/Supplemental	-	-	-	-	-	-	-	-
General State Aid - Sec. 18-8	2,081,765	1,003,780	919,033	2,278,597	90,538	980,511	2,267,568	4,366,834
IASA - Title I - Low Income	95,866	176,276	95,431	55,143	-	27,809	102,612	91,882
IASA - Title I Even Start	-	-	-	-	-	-	-	-
I-KAN Technology Enhancing Educ	-	183,442	-	-	-	-	-	-
National Board Certification Initiatives - Teacher Leaders	-	-	-	6,000	-	-	-	-
National School Lunch Program	82,154	83,440	25,442	48,984	-	45,510	64,355	129,101
Other Federal Programs	-	-	-	-	-	-	-	-
Other Restricted Grant-In-Aid from State Sources	24,469	19,599	10,405	21,302	-	8,890	16,385	37,458
Reading Improvement Block Grant	-	-	-	-	-	-	-	-
Regional Safe Schools-Alt Ed.	-	-	-	-	-	-	-	-
ROE School Bus Driver Training	-	-	-	-	-	-	-	-
ROE/ISC Operations	-	-	-	-	-	-	-	-
School Breakfast Incentive	161	218	46	-	-	152	44	315
School Breakfast Program	21,212	30,006	9,010	-	-	6,757	15,509	42,189
Sp. Ed. - Extraordinary	71,827	49,603	29,767	74,562	-	34,016	53,606	131,146
Sp. Ed. - Orphanage - Individual	-	-	420	-	-	15,836	-	70,056
Sp. Ed. - Orphanage - Summer Individual	-	-	-	-	-	-	-	-
Sp. Ed. - Personnel	109,080	54,999	21,408	56,783	-	58,507	36,274	190,747
Sp. Ed. - Private Facility Tuition	-	-	10,208	-	-	-	-	-
Sp. Ed. - Summer School	-	-	-	-	-	-	-	-
Special Milk Program	-	-	-	-	-	-	-	-
State Free Lunch & Breakfast	3,966	4,611	1,223	1,624	-	1,860	2,963	7,013
Supervisory Expense	-	-	-	-	-	-	-	-
Technology Enhancing Education - Formula	-	2,695	449	581	-	300	800	-
Title II - Teacher Quality	25,274	45,935	9,901	29,040	-	14,982	10,828	52,804
Title III - Immigrant Education Program	-	-	-	-	-	-	-	-
Title IV - Safe & Drug Free Schools - Formula	2,773	2,025	758	2,078	-	459	981	3,414
Title V Innovative Programs - IASA Title VI Formula	1,205	823	477	979	-	431	375	1,691
Transportation - Regular & Vocational	77,723	118,782	50,773	162,883	-	63,540	147,709	161,073
Truants Alternative/Operational Ed.	94,111	38,203	9,991	7,947	-	40,757	60,638	72,149

**\$ 2,733,887 \$ 2,034,209 \$ 1,209,863 \$ 2,787,704 \$ 90,538 \$ 1,316,627 \$ 2,807,658 \$ 5,550,067**

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 SCHEDULE OF DISBURSEMENTS TO SCHOOL DISTRICT TREASURERS AND OTHER ENTITIES  
 FOR THE YEAR ENDED JUNE 30, 2008

	Casey - Westfield Elementary	Youth Service and Bridges	Central A&M CUSD#21	Chrisman CUSD #6	Youth Services	ROE/SAS	ROE #11 State Distributive	Total
	\$	\$	\$	\$	\$	\$	\$	\$
ADA Safety & Educational Block Grant	-	-	31,877	13,368	-	-	-	496,190
Bilingual Ed. - Downstate - TBE	-	-	-	-	-	-	-	9,650
Driver Education	-	-	7,006	5,722	-	-	-	171,608
Early Childhood Block Grant - State Preschool at Risk	-	-	84,766	-	-	-	-	3,252,213
Fed. - Sp. Ed. - I.D.E.A. - Room & Board	-	-	-	-	-	-	-	98,333
General State Aid - Hold Harmless/Supplemental	-	-	-	-	-	-	-	65,252
General State Aid - Sec. 18-8	-	371,105	3,182,011	1,270,286	-	-	257,227	51,587,518
IASA - Title I - Low Income	-	-	112,906	49,251	-	-	-	2,791,142
IASA - Title I Even Start	-	-	-	-	-	-	-	75,000
I-KAN Technology Enhancing Educ	-	-	-	-	-	-	-	183,442
National Board Certification Initiatives - Teacher Leaders	-	-	-	-	-	-	-	15,208
National School Lunch Program	-	16,613	80,778	40,108	-	-	-	1,744,192
Other Federal Programs	-	-	-	-	-	2,500	453,933	456,433
Other Restricted Grant-In-Aid from State Sources	-	-	-	-	-	-	144,900	378,045
Reading Improvement Block Grant	-	-	28,806	12,722	-	-	-	504,613
Regional Safe Schools-Alt Ed.	-	200,493	-	-	-	-	22,276	222,769
ROE School Bus Driver Training	-	-	-	-	-	-	1,320	93,347
ROE/ISC Operations	-	-	-	-	-	93,347	-	4,225
School Breakfast Incentive	-	43	196	568	-	-	-	465,169
School Breakfast Program	-	10,120	16,257	24,801	-	-	-	1,546,404
Sp. Ed. - Extraordinary	-	-	93,190	39,644	-	-	-	1,144,914
Sp. Ed. - Orphanage - Individual	-	-	1,022,255	-	-	-	-	43,273
Sp. Ed. - Orphanage - Summer Individual	-	-	43,273	-	-	-	-	1,674,261
Sp. Ed. - Personnel	-	-	2,875	26,502	-	-	-	80,603
Sp. Ed. - Private Facility Tuition	-	-	-	-	-	-	-	1,315
Sp. Ed. - Summer School	-	-	449	-	-	-	-	449
Special Milk Program	-	-	-	-	-	-	-	-
State Free Lunch & Breakfast	782	1,395	3,161	2,249	-	-	-	85,122
Supervisory Expense	-	-	-	-	-	-	-	7,000
Technology Enhancing Education - Formula	-	-	1,198	567	-	-	-	28,198
Title II - Teacher Quality	-	1,168	40,791	18,957	-	-	307	752,399
Title III - Immigrant Education Program	-	-	-	-	-	1,667	-	1,667
Title IV - Safe & Drug Free Schools - Formula	-	210	2,104	1,339	-	-	-	56,155
Title V Innovative Programs - IASA Title VI Formula	-	128	1,357	574	-	-	-	54,039
Transportation - Regular & Vocational	-	-	154,208	69,115	-	-	-	2,732,476
Transportation - Special Education	-	-	56,751	42,363	-	-	-	1,224,072
Truants Alternative/Operational Ed.	-	16,056	-	-	107,164	-	-	123,220

\$ 782 \$ 617,331 \$ 4,966,215 \$ 1,618,136 \$ 107,164 \$ 97,514 \$ 886,963 \$ 72,171,236

## FEDERAL COMPLIANCE

REGIONAL OFFICE OF EDUCATION #11  
 CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR, MOULTRIE, AND SHELBY COUNTIES  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2008

<u>Federal Grantor/Pass Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Expenditures 7/1/07-6/30/08</u>
<b>U.S. Department of Education</b>			
Passed through Illinois State Board of Education			
ELL English	84.365A	08-4999-PD	\$ 5,000
Title V - Innovative Programs Formula	84.298A	08-4100-00	128
Title IV - Safe and Drug Free School - Formula	84.186A	08-4400-00	<u>210</u>
<b>Total passed through Illinois State Board of Education</b>			<u>5,338</u>
<b>Total U.S. Department of Education passed through Illinois State Board of Education</b>			<u>5,338</u>
<b>U.S. Department of Agriculture through Illinois State Board of Education</b>			
School Breakfast Program	10.553	07-4220-00	1,146
School Breakfast Program	10.553	08-4220-00	<u>8,974</u>
Total School Breakfast Program			<u>10,120</u>
National School Lunch Program	10.555	07-4210-00	1,846
National School Lunch Program	10.555	08-4210-00	<u>14,767</u>
Total National School Lunch Program			<u>16,613</u>
<b>Total U.S. Department of Agriculture through Illinois State Board of Education</b>			<u>26,733</u>
<b>U.S. Department of Education</b>			
Passed through Regional Office of Education #32			
McKinney-Vento Homeless Children and Youth Program	84.196A	08-4920-00	<u>8,646</u>
<b>Total U.S. Department of Education Passed through Regional Office of Education #32</b>			<u>8,646</u>
<b>U.S. Department of Education CFDA #84.010A</b>			
Passed through Illinois State Board of Education			
Standards Aligned Classroom			
Statewide Professional Development	84.010A	08-4331-00	453,100
Passed through Regional Office of Education #32			
Title I School Improvement and Accountability	84.010A	08-4331-SS	<u>108,757</u>
<b>Total U.S. Department of Education CFDA #84.010A</b>			<b>Total</b> <u>561,857</u> (M)
<b>U.S. Department of Education CFDA #84.367A</b>			
Passed through Regional Office of Education #32			
Title II Teacher Quality	84.367A	08-4935-SS	20,439
Passed through Illinois State Board of Education			
Title II - Teacher Quality	84.367A	08-4932-00	<u>1,475</u>
<b>Total U.S. Department of Education CFDA #84.367A.</b>			<b>Total</b> <u>21,914</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 624,488</u>

(M) Program was audited as a major program.

The accompanying notes are an integral part of this schedule.

REGIONAL OFFICE OF EDUCATION #11  
CLARK, COLES, CUMBERLAND, DOUGLAS, EDGAR,  
MOULTRIE, AND SHELBY COUNTIES  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Regional Office of Education #11 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Regional Office of Education #11 provided federal awards to subrecipients as follows:

Program Title: Standards Aligned Classroom Statewide Professional Development  
Federal CFDA #: 84.010A  
Amount provided to subrecipients: \$ 448,200

NOTE 3 - DESCRIPTION OF MAJOR FEDERAL PROGRAM

Standards Alignment Classroom Statewide Professional Development: This program's objectives are to support statewide education reform efforts. The program provides funding to enable implementation of promising educational reform programs, school improvement programs, and support programs to provide library services and instructional and media materials. The funding assists in meeting the educational needs of all students, including at-risk youth and develops and implements education programs to improve school, student, and teachers performance, including professional development activities and class size reduction programs.

NOTE 4 - NON-CASH ASSISTANCE

NONE

NOTE 5 - AMOUNT OF INSURANCE

NONE

NOTE 6 - LOANS OR LOAN GUARANTEES OUTSTANDING

NONE